TANFAC INDUSTRIES LIMITED
REGISTERED OFFICE: 14 SIPCOT INDUSTRIAL COMPLEX
CUDDALORE - 607 005.
CIN: L24117TN1972PLC006271 Website : www.tanfac.com

ADITYA BIRLA
TANFAC
JOINTLY WITH TIDCO

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE is hereby given that an Extraordinary General Meeting (EGM) of the Members of the Company shall be held at the Registered Office of the Company at 14, Sipcot Industrial Complex, Cuddalore on Tuesday, the 3rd day of March, 2015 at 11.30 AM to transact the following business:

SPECIAL BUSINESS:

1. To consider and if thought fit, to pass with or without modification the following Resolution as a SPECIAL RESOLUTION:

   "**RESOLVED THAT** in accordance with the provisions of Sections 42, 55 and all other applicable provisions of The Companies Act, 2013 ('Act') read with The Companies (Share Capital and Debentures) Rules, 2014 and The Companies (Prospectus and Allotment of Securities) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreements entered into between the Stock Exchange, where the securities of the Company are listed and subject to such approvals and sanctions as may be required and subject to such conditions/modifications as may be prescribed while granting such approvals/sanctions, approval of the Company be and is hereby accorded to the Board of Directors (hereinafter referred to as the 'Board') to create, offer, issue and allot 5,00,000 - 11% Redeemable Cumulative Non-convertible Preference Shares ('Preference Shares') of the face value of ₹100/- each for cash at par in single tranche on private placement basis to Aditya Birla Chemicals (India) Limited ('ABCIL')."

   "**RESOLVED FURTHER THAT** the above offer, issuance and allotment of Preference Shares shall be subject to the following terms and conditions:

   1) **FACE VALUE:** ₹100/- each for cash AT PAR shall be issued.

   2) **PRIORITY WITH RESPECT TO PAYMENT OF DIVIDEND:** Dividend @ 11% per annum. The said Preference Shares shall rank for dividend in priority to the equity shares for the time being of the Company.

   3) **PARTICIPATION IN SURPLUS ASSETS AND PROFITS ON WINDING-UP :** The said Preference Shares shall in winding up be entitled to rank, as regards repayment of capital and arrears of dividend, whether declared or not, up to the commencement of the winding up, in priority to the equity shares but shall not be entitled to

any further participation in profits or assets or surplus fund.

4) **VOTING RIGHTS:** The voting rights of the persons holding the said Preference Shares shall be in accordance with the provisions of Section 47 of the Act (including any statutory modifications or re-enactments thereof for the time being in force).

5) **REDEMPTION:** At the option of Board, at any time before twenty years from the date of allotment as per the provisions of the Act.

"**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as they may, in their absolute discretion, deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in regard to the offer, issue, allotment of the Preference Shares and utilization of the issue proceeds towards the Company's corporate needs as they may deem fit."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or any other Officer(s) of the Company to give effect to the aforesaid resolution."

2. To consider and if thought fit, to pass with or without modification the following Resolution as a SPECIAL RESOLUTION:

"**RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 198 read with Schedule V and all other applicable provisions of The Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and Articles of Association of the Company and pursuant to the recommendation of the Nomination Committee, approval of the Company be and is hereby accorded by the Board as per recommendation of Nomination Committee for the re-appointment of Shri Lalit Naik, Director (DIN: 02943588) as Manager of the Company for a period of five years with effect from 22nd January, 2015."

"**RESOLVED FURTHER THAT** the Board of Directors of the Company or any committee thereof be and is hereby authorized to do all such acts, deeds and things as in its absolute discretion it may think necessary, expedient or desirable; to settle any question or doubt that may arise in relation thereto in order to give effect to the foregoing resolution and to seek such approval/ consent from the government departments, as may be required in this regard."

By Order of the Board

For TANFAC INDUSTRIES LIMITED

R. KARTHIKEYAN
Director

Place : Chennai
Date : 3rd February 2015

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxy form should be lodged with the Company at its Registered Office at least 48 hours before the time of the meeting.

2. Statement as required under Section 102(1) of the Act, in respect of the Special Business is annexed hereto and forms part of the notice.

3. In case of corporate shareholders proposing to participate at the meeting through their representative, necessary authorization under Section 113 of the Act for such representation may please be forwarded to the Company.

VOTING THROUGH ELECTRONIC MEANS

In compliance with the provisions of Section 108 of The Companies Act, 2013, read with Rule 20 of The Companies (Management and Administration) Rules, 2014, the Company is pleased to provide to the Members the facility to exercise their right to vote at the Extraordinary General Meeting (EGM) by electronic means and the business may be transacted through e-voting services provided by National Securities Depository Limited (NSDL).

The instructions for e-voting are as under :

(a) In case of Members receiving an e-mail from NSDL

(i) Open the PDF file "TANFAC e-voting. pdf" attached to the e-mail, using your Client ID/ Folio No. as password. The PDF contains your User ID and password for e-voting. Please note that the password provided in PDF is an initial password.

(ii) Launch an internet browser and open http://www.evoting.nsdl.com/

(iii) Click on Shareholder – Login

(iv) Insert User ID and Initial Password as noted in Step (i) above and click login

(v) Password change menu will appear. Change the password with a new password of your choice. Please keep a note of the new password. It is strongly recommended not to share your password with any person and take utmost care to keep it confidential.

(vi) Home page of e-voting will open. Click on e-voting – active voting cycles.

(vii) Select E-Voting Event Number (EVEN) of TANFAC Industries Limited.

(viii) Cast your vote which is readily available by selecting appropriate option and click on "SUBMIT" and further click on "CONFIRM" when prompted.

(ix) Upon confirmation, the message "Vote cast successfully" will be displayed.

(x) Once you have voted on the resolution(s), you will not be allowed to modify your vote.

(xi) Institutional Shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolutions/ Authority Letter, along with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer by an e-mail at gkrkgram@yahoo.in with a copy marked to evoting@nsdl.co.in.

(b) In case of Shareholders receiving physical copy of the Notice of EGM and Attendance Slip (Members holding shares in dematerialized form whose email IDs are not registered with the Company/Depository Participants and Members holding shares in physical form) :

(i) Initial password is provided as below/ at the bottom of the attendance slip for the EGM attached separately:

EVEN (E-Voting Event Number	USER ID	PASSWORD/ PIN

(ii) Please follow all steps from Sr.No.(ii) to (xi) above, to caste vote.

(iii) In case of any queries, you may refer to the "Frequently Asked Questions" [FAQs] and e-voting user manual available in the downloads section of NSDL's e-voting website www.evoting.nsdl.com.

(iv) Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot Password" option available on the site to reset the password.

(v) If you are already registered with NSDL for e-voting then you can use your existing user ID and password for casting your vote.

(vi) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

(c) Other Instructions :

(i) The e-voting period commences **on Tuesday the 24th February, 2015 at 9.00 a.m. and ends on Thursday the 26th February, 2015 at 6.00 P.M.** During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on 30th January, 2015, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently.

(ii) The Shareholders shall have one vote per equity share held by them as on 30th January, 2015 and the facility for e-voting would be provided once for every folio/client id, irrespective of number of joint holders.

(iii) Mr. CS R. Kannan, Practicing Company Secretary (C.P. No.3363) has been appointed as the "Scrutinizer" to scrutinize the e-Voting process in the fair and transparent manner. The scrutinizer will submit his final report to the Chairman of the Company within three working days after conclusion of e-voting period as per guidelines of The Companies (Management and Administration) Rules, 2014.

(iv) The scrutinizer's decision on the validity of e-voting will be final.

(v) The results shall be declared on or after the EGM of the Company. The results declared, along with the Scrutinizer's Report, shall be placed on the Company's website www.tanfac.com and on the website of NSDL within two working days of passing of the resolutions at the EGM of the Company and communicated to the Bombay Stock Exchange Limited where the Company's shares are listed.

By Order of the Board

For TANFAC INDUSTRIES LIMITED

R. KARTHIKEYAN
Director

Place : Chennai
Date : 3rd February, 2015

EXPLANATORY STATEMENT

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013

ITEM NO.1

In order to meet the ongoing business requirements of the Company, it is proposed to raise the funds through issue of 5,00,000 - 11% Redeemable Cumulative Non-convertible Preference Shares ('Preference Shares') of the face value of ₹100/- each for cash at par in single tranche on private placement basis to Aditya Birla Chemicals (India) Limited ('ABCIL') .

The consent of the shareholders of the Company is required by way of Special Resolution for issuing the abovementioned Preference Shares, in terms of the provisions of Section 42 of the Act read with Companies (Prospectus and Allotment of Securities) Rules, 2014 and Section 55 of the Act read with Companies (Share Capital and Debentures) Rules, 2014.

DISCLOSURE AS PER RULE 9(3) OF THE COMPANIES (SHARE CAPITAL AND DEBENTURES) RULES, 2014:

a)	The size of the issue and number of preference shares to be issued and nominal value of each share	:	5,00,000 – 11% Redeemable Cumulative Non-convertible Preference Shares (Preference Shares) of ₹100/- each for cash at par for an amount aggregating to ₹ 5 Crores (Rupees Five Crores only)
b)	The nature of such shares i.e. cumulative or non-cumulative, participating or non-participating, convertible or non-convertible	:	Cumulative, Non-participating and Non-Convertible
c)	The objectives of the issue	:	To shore up the Net worth of the Company, general corporate purpose and to meet ongoing business requirements of the Company.
d)	The manner of issue of shares	:	In single tranche
e)	The price at which such shares are proposed to be issued	:	₹ 100/- each
f)	The basis on which the price has been arrived at	:	Issued at Par
g)	The terms of issue, including terms and rate of dividend on each share, etc.	:	Issued and offered on Private Placement basis to Aditya Birla Chemicals (India) Limited (ABCIL). A dividend of ₹11/- per share per annum, if declared, would be payable on pro rata basis from the date of allotment.
h)	The terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion.	:	At the option of Board, at any time before twenty years from the date of allotment as per the provisions of the Act.
i)	The manner and modes of redemption	:	Will be redeemed out of profit and/or issue of fresh shares for the purpose of redemption as prescribed in the Act.

EXPLANATORY STATEMENT (Contd.)

<table>
<tr><td>j)</td><td>the current shareholding pattern of the company</td><td>:</td><td>Shareholding pattern on Equity Shares as on 31st December, 2014 is as under :
<table>
<tr><th>Category</th><th>No. of Equity Shares</th><th>% to Equity Share Capital</th></tr>
<tr><td>Promoter*</td><td>5084802*</td><td>50.975</td></tr>
<tr><td>Public</td><td>4890198</td><td>49.025</td></tr>
<tr><td>Total</td><td>9975000</td><td>100.000</td></tr>
</table>
* including person acting in concert – 1150 Equity Shares.
Also please visit Bombay Stock Exchange website www.bseindia.com for detailed shareholding pattern.</td></tr>
<tr><td>k)</td><td>Expected dilution in equity share capital upon conversion of preference shares</td><td>:</td><td>Not Applicable</td></tr>
</table>

The Board recommends the proposed resolution as given in the Notice for your approval as a Special Resolution.

Pursuant to applicable provisions of The Companies Act, 2013, none of the Directors or the Key Managerial Personnel of the Company or any of their relatives is concerned or interested, financially or otherwise in the resolutions, except Shri Lalit Naik and Shri A.K. Agarwala, being Directors of the Company as well as ABCIL.

ITEM NO.2

In terms of the provisions of The Companies Act, 2013 and the Articles of Association of the Company, the Board and the Board of Directors have, at their meeting held on 23rd January, 2015, re-appointed Shri Lalit Naik, Director of the Company aged 53 years as Manager of the Company for a further period of five years with effect from 22nd January, 2015 subject to approval of Shareholders and other statutory provisions as applicable. The Nomination Committee has recommended his candidature for re-appointment.

Re-appointment of Shri Lalit Naik, Director as Manager will immensely benefit the company given his vast and varied rich experience.

The explanatory statement together with the terms of re-appointment of Shri Lalit Naik, Director as manager of the Company, mentioned in the accompanying Notice should be treated as an abstract under Sections 196, 197 and other applicable provisions of The Companies Act, 2013.

None of the Directors, Key Managerial Personnel and their relatives other than Shri Lalit Naik are in any way concerned/interested in the said resolution of the Notice.

The documents referred to in this notice and explanatory statement are available for inspection during business hours on all working days (except Sundays and holidays) at the Registered Office until the date of Extraordinary General Meeting or any adjournment thereof.

By Order of the Board
For TANFAC INDUSTRIES LIMITED

R. KARTHIKEYAN
Director

Place : Chennai
Date : 3rd February, 2015